

E AND R AMENDMENTS TO LB 414

Introduced by Enrollment and Review Committee: Nordquist, 7,  
Chairperson

1           1. Strike the original sections and all amendments  
2 thereto and insert the following new sections:

3           Section 1. Section 24-201.01, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           24-201.01 ~~On July 1, 2006, the salary of the Chief~~  
6 ~~Justice and the judges of the Supreme Court shall be one hundred~~  
7 ~~twenty-six thousand eight hundred forty-six dollars. On July 1,~~  
8 ~~2007, the salary of the Chief Justice and the judges of the~~  
9 ~~Supreme Court shall be one hundred thirty-one thousand two hundred~~  
10 ~~eighty-five dollars and sixty-one cents. On July 1, 2008, the~~  
11 ~~salary of the Chief Justice and the judges of the Supreme Court~~  
12 ~~shall be one hundred thirty-five thousand eight hundred eighty~~  
13 ~~dollars and sixty cents. On July 1, 2009, the salary of the~~  
14 Chief Justice and the judges of the Supreme Court shall be one  
15 hundred thirty-nine thousand two hundred seventy-seven dollars and  
16 sixty-one cents. On July 1, 2010, the salary of the Chief Justice  
17 and the judges of the Supreme Court shall be one hundred forty-two  
18 thousand seven hundred fifty-nine dollars and fifty-five cents.

19           The Chief Justice and the judges of the Supreme Court  
20 shall hold no other public office of profit or trust during their  
21 terms of office nor accept any public appointment or employment  
22 under the authority of the government of the United States for  
23 which they receive compensation for their services. Such salaries

1 shall be payable in equal monthly installments.

2           Sec. 2. Section 24-703, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           24-703 (1) Each original member shall contribute monthly  
5 four percent of his or her monthly compensation to the fund  
6 until the maximum benefit as limited in subsection (1) of section  
7 24-710 has been earned. It shall be the duty of the Director  
8 of Administrative Services in accordance with subsection (10) of  
9 this section to make a deduction of four percent on the monthly  
10 payroll of each original member who is a judge of the Supreme  
11 Court, a judge of the Court of Appeals, a judge of the district  
12 court, a judge of a separate juvenile court, a judge of the county  
13 court, a clerk magistrate of the county court who was an associate  
14 county judge and a member of the fund at the time of his or her  
15 appointment as a clerk magistrate, or a judge of the Nebraska  
16 Workers' Compensation Court showing the amount to be deducted and  
17 its credit to the fund. The Director of Administrative Services  
18 and the State Treasurer shall credit the four percent as shown  
19 on the payroll and the amounts received from the various counties  
20 to the fund and remit the same to the director in charge of the  
21 judges retirement system who shall keep an accurate record of the  
22 contributions of each judge.

23           (2) (a) ~~Beginning~~ In addition to the contribution required  
24 under subdivision (c) of this subsection, beginning on July 1,  
25 2004, each future member who has not elected to make contributions  
26 and receive benefits as provided in section 24-703.03 shall  
27 contribute monthly six percent of his or her monthly compensation

1 to the fund until the maximum benefit as limited in subsection  
2 (2) of section 24-710 has been earned. After the maximum benefit  
3 as limited in subsection (2) of section 24-710 has been earned,  
4 such future member shall make no further contributions to the fund,  
5 except that (i) any time the maximum benefit is changed, a future  
6 member who has previously earned the maximum benefit as it existed  
7 prior to the change shall contribute monthly six percent of his  
8 or her monthly compensation to the fund until the maximum benefit  
9 as changed and as limited in subsection (2) of section 24-710 has  
10 been earned and (ii) such future member shall continue to make the  
11 contribution required under subdivision (c) of this subsection.

12 (b) ~~Beginning~~ In addition to the contribution required  
13 under subdivision (c) of this subsection, beginning on July 1,  
14 2004, a judge who first serves as a judge on or after such date  
15 or a future member who elects to make contributions and receive  
16 benefits as provided in section 24-703.03 shall contribute monthly  
17 eight percent of his or her monthly compensation to the fund until  
18 the maximum benefit as limited by subsection (2) of section 24-710  
19 has been earned. ~~After~~ In addition to the contribution required  
20 under subdivision (c) of this subsection, after the maximum benefit  
21 as limited in subsection (2) of section 24-710 has been earned,  
22 such judge or future member shall contribute monthly four percent  
23 of his or her monthly compensation to the fund for the remainder of  
24 his or her active service.

25 (c) Beginning on July 1, 2009, until July 1, 2014, a  
26 member or judge described in subdivisions (a) and (b) of this  
27 subsection shall contribute monthly an additional one percent of

1 his or her monthly compensation to the fund.

2           ~~(e)~~ (d) It shall be the duty of the Director of  
3 Administrative Services to make a deduction on the monthly payroll  
4 of each such future member who is a judge of the Supreme Court,  
5 a judge of the Court of Appeals, a judge of the district court,  
6 a judge of a separate juvenile court, a judge of the county  
7 court, a clerk magistrate of the county court who was an associate  
8 county judge and a member of the fund at the time of his or her  
9 appointment as a clerk magistrate, or a judge of the Nebraska  
10 Workers' Compensation Court showing the amount to be deducted and  
11 its credit to the fund. This shall be done each month. The Director  
12 of Administrative Services and the State Treasurer shall credit the  
13 amount as shown on the payroll and the amounts received from the  
14 various counties to the fund and remit the same to the director in  
15 charge of the judges retirement system who shall keep an accurate  
16 record of the contributions of each judge.

17           (3) A Except as otherwise provided in this subsection,  
18 a Nebraska Retirement Fund for Judges fee of five dollars shall  
19 be taxed as costs in each (a) civil cause of action, criminal  
20 cause of action, traffic misdemeanor or infraction, and city or  
21 village ordinance violation filed in the district courts, the  
22 county courts, and the separate juvenile courts, (b) filing in the  
23 district court of an order, award, or judgment of the Nebraska  
24 Workers' Compensation Court or any judge thereof pursuant to  
25 section 48-188, (c) appeal or other proceeding filed in the Court  
26 of Appeals, and (d) original action, appeal, or other proceeding  
27 filed in the Supreme Court. Beginning on July 1, 2009, and until

1 July 1, 2014, such fee shall be six dollars. In county courts a sum  
2 shall be charged which is equal to ten percent of each fee provided  
3 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to  
4 the nearest even dollar. No judges retirement fee shall be charged  
5 for filing a report pursuant to sections 33-126.02 and 33-126.06.  
6 When collected by the clerk of the district or county court, such  
7 fees shall be paid and information submitted to the director in  
8 charge of the judges retirement system on forms prescribed by the  
9 board by the clerk within ten days after the close of each calendar  
10 quarter. The board may charge a late administrative processing fee  
11 not to exceed twenty-five dollars if the information is not timely  
12 received or the money is delinquent. In addition, the board may  
13 charge a late fee of thirty-eight thousandths of one percent of the  
14 amount required to be submitted pursuant to this section for each  
15 day such amount has not been received. Such director shall promptly  
16 thereafter remit the same to the State Treasurer for credit to  
17 the fund. No Nebraska Retirement Fund for Judges fee which is  
18 uncollectible for any reason shall be waived by a county judge as  
19 provided in section 29-2709.

20 (4) All expenditures from the fund shall be authorized by  
21 voucher in the manner prescribed in section 24-713. The fund shall  
22 be used for the payment of all annuities and other benefits and for  
23 the expenses of administration.

24 (5) The fund shall consist of the total fund as of  
25 December 25, 1969, the contributions of members as provided in this  
26 section, all supplementary court fees as provided in subsection (3)  
27 of this section, and any required contributions of the state.

1           (6) Not later than January 1 of each year, the State  
2 Treasurer shall transfer to the fund the amount certified by the  
3 board as being necessary to pay the cost of any benefits accrued  
4 during the fiscal year ending the previous June 30 in excess  
5 of member contributions for that fiscal year and court fees as  
6 provided in subsection (3) of this section and fees pursuant to  
7 sections 25-2804, 33-103, 33-103.01, 33-106, 33-106.02, 33-123,  
8 33-125, 33-126.02, 33-126.03, and 33-126.06 and directed to be  
9 remitted to the fund, if any, for that fiscal year plus any  
10 required contributions of the state as provided in subsection (9)  
11 of this section.

12           (7) Benefits under the retirement system to members or to  
13 their beneficiaries shall be paid from the fund.

14           (8) Any member who is making contributions to the fund on  
15 December 25, 1969, may, on or before June 30, 1970, elect to become  
16 a future member by delivering written notice of such election to  
17 the board.

18           (9) Not later than January 1 of each year, the State  
19 Treasurer shall transfer to the fund an amount, determined on  
20 the basis of an actuarial valuation as of the previous June 30  
21 and certified by the board, to fully fund the unfunded accrued  
22 liabilities of the retirement system as of June 30, 1988, by level  
23 payments up to January 1, 2000. Such valuation shall be on the  
24 basis of actuarial assumptions recommended by the actuary, approved  
25 by the board, and kept on file with the board. For the fiscal  
26 year beginning July 1, 2002, and each fiscal year thereafter,  
27 the actuary for the board shall perform an actuarial valuation

1 of the system using the entry age actuarial cost method. Under  
2 this method, the actuarially required funding rate is equal to the  
3 normal cost rate, plus the contribution rate necessary to amortize  
4 the unfunded actuarial accrued liability on a level payment basis.  
5 The normal cost under this method shall be determined for each  
6 individual member on a level percentage of salary basis. The normal  
7 cost amount is then summed for all members. The initial unfunded  
8 actual accrued liability as of July 1, 2002, if any, shall be  
9 amortized over a twenty-five-year period. Prior to July 1, 2006,  
10 changes in the funded actuarial accrued liability due to changes  
11 in benefits, actuarial assumptions, the asset valuation method, or  
12 actuarial gains or losses shall be measured and amortized over a  
13 twenty-five-year period beginning on the valuation date of such  
14 change. Beginning July 1, 2006, any existing unfunded liabilities  
15 shall be reinitialized and amortized over a thirty-year period,  
16 and during each subsequent actuarial valuation, changes in the  
17 funded actuarial accrued liability due to changes in benefits,  
18 actuarial assumptions, the asset valuation method, or actuarial  
19 gains or losses shall be measured and amortized over a thirty-year  
20 period beginning on the valuation date of such change. If the  
21 unfunded actuarial accrued liability under the entry age actuarial  
22 cost method is zero or less than zero on an actuarial valuation  
23 date, then all prior unfunded actuarial accrued liabilities shall  
24 be considered fully funded and the unfunded actuarial accrued  
25 liability shall be reinitialized and amortized over a thirty-year  
26 period as of the actuarial valuation date. If the actuarially  
27 required contribution rate exceeds the rate of all contributions

1 required pursuant to the Judges Retirement Act, there shall be a  
2 supplemental appropriation sufficient to pay for the differences  
3 between the actuarially required contribution rate and the rate of  
4 all contributions required pursuant to the Judges Retirement Act.

5           (10) The state or county shall pick up the member  
6 contributions required by this section for all compensation paid  
7 on or after January 1, 1985, and the contributions so picked up  
8 shall be treated as employer contributions in determining federal  
9 tax treatment under the Internal Revenue Code as defined in section  
10 49-801.01, except that the state or county shall continue to  
11 withhold federal income taxes based upon these contributions until  
12 the Internal Revenue Service or the federal courts rule that,  
13 pursuant to section 414(h) of the code, these contributions shall  
14 not be included as gross income of the member until such time as  
15 they are distributed or made available. The state or county shall  
16 pay these member contributions from the same source of funds which  
17 is used in paying earnings to the member. The state or county  
18 shall pick up these contributions by a compensation deduction  
19 through a reduction in the compensation of the member. Member  
20 contributions picked up shall be treated for all purposes of the  
21 Judges Retirement Act in the same manner and to the extent as  
22 member contributions made prior to the date picked up.

23           Sec. 3. Sections 2 and 6 of this act become operative on  
24 July 1, 2009. The other sections of this act become operative on  
25 their effective date.

26           Sec. 4. This act shall be considered a complete act  
27 and its provisions inseverable. If any provision of this act is

1 declared unconstitutional, the entire act shall be invalid.

2           Sec. 5. Original section 24-201.01, Reissue Revised  
3 Statutes of Nebraska, is repealed.

4           Sec. 6. Original section 24-703, Reissue Revised Statutes  
5 of Nebraska, is repealed.

6           Sec. 7. Since an emergency exists, this act takes effect  
7 when passed and approved according to law.

8           2. On page 1, strike beginning with "section" in line 1  
9 through line 4 and insert "sections 24-201.01 and 24-703, Reissue  
10 Revised Statutes of Nebraska; to change salary and retirement  
11 provisions for judges; to change the Nebraska Retirement Fund  
12 for Judges fee; to provide operative dates; to provide for  
13 inseverability; to repeal the original sections; and to declare  
14 an emergency."